

(b) A certain number of armament items manufactured in May, 1996 were supplied with propellant manufactured in 1988.

(c) The manufacturer had clarified that the propellant was tested by them and the quality was found to be good.

(d) The manufacturer has been asked to replace the items. Payment for these has not been made.

Norms for foreign investment In defence sector

1099. SHRI ANANTA SETHI: Will the Minister of DEFENCE be pleased to state:

- (a) the norms prescribed for foreign investment in the defence sector;
- (b) the defence production units which have been identified for expansion with foreign investment; and
- (c) the details of time schedule fixed therefor?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (c) Government have decided that the defence industry sector be opened for participation by Indian private sector upto 100 per cent of equity, with Foreign Direct Investment (FDI), component of it being permissible upto 26 per cent, both being subject to licensing permissions. All types of defence equipments are covered under the decision. No private sector defence production unit, as such, has been licensed for production of defence equipment with Foreign Direct Investment as yet.

Prosecution of Tehelka for using unconventional means

1100. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of DEFENCE be pleased to state:

- (a) whether any prosecution has been launched against Tehelka for having used unconventional means to bring out truth from the Army Officer; and
- (b) if so, under what provision of law they have been prosecuted?